

ANALYSING PACIFIC LABOUR MOBILITY: DEVPOLICY BLOGS 2017-18



**DEVELOPMENT
POLICY CENTRE**

Analysing Pacific labour mobility: Devpolicy Blogs 2017-18

Introduction	1
Blog posts	2
Seasonal Worker Programme: participant perspectives.....	2
1. Satisfied seasonal workers	2
2. Why Timorese workers love the Seasonal Worker Programme	3
3. The Seasonal Worker Programme: a personal story.....	6
4. In conversation with Lionel Kaluat, former Labour Commissioner of Vanuatu	11
5. RSE workers ten years on	14
Seasonal Worker Programme: sending-country issues.....	16
6. Blacklisting seasonal workers	16
7. Remittances biggest export earner for Timor-Leste after oil	19
8. Vanuatu grapples with seasonal worker success.....	22
9. ANZ seasonal labour programs are not too reliant on return workers: part one	25
10. ANZ seasonal labour programs are not too reliant on return workers: part two.....	28
11. How recruitment and selection can shape seasonal work programs: comparing Fiji and Papua New Guinea	31
Seasonal Worker Programme: receiving-country issues	33
12. Backpackers v seasonal workers: lessons from across the Tasman.....	33
13. Making the SWP more employer-friendly: a work in progress	36
14. Is a new visa for agricultural workers needed?	39
Australia Pacific Technical College and Pacific Labour Scheme.....	42
15. What's different about APTC in its next stage?	42
16. The Pacific Labour Scheme: no families allowed?	44
17. Promoting migration while combatting brain drain: monitoring issues	46

Introduction

This booklet brings together Devpolicy Blog posts on Pacific labour mobility from 2017 to 2018.

Labour mobility is key to the future of many Pacific island countries, and an important research focus area for Devpolicy. In putting together this publication, we hope to provide readers with a sample of commentary on Pacific labour mobility, with the aim of illuminating opportunities for growth and improved human development outcomes in the region, and the role that Australia can play to support these. The volume is organised under four main areas: Seasonal Worker Programme participant perspectives, sending-country issues, receiving-country issues, and the Australia Pacific Technical College and Pacific Labour Scheme.

Publication of this booklet is made possible by support from the Australian aid program through the Pacific Research Program. As is always the case with the Devpolicy Blog, views expressed in this publication are those of the authors and do not necessarily reflect those of the Development Policy Centre or its staff, nor those of any government.

We hope you enjoy reading this selection of analysis. If you are not already a regular reader of the Devpolicy Blog (devpolicy.org), we encourage you to become one. You may also like to consider becoming a contributor: we are always keen to receive blog posts and comments from the region. Visit the blog (devpolicy.org) or contact us at devpolicy@anu.edu.au.

To keep up to date with the latest developments in Pacific labour mobility, subscribe to our monthly email newsletter on the topic at <http://www.devpolicy.org/join-us/>.

PACIFIC RESEARCH PROGRAM

AN INITIATIVE OF THE AUSTRALIAN AID PROGRAM

Blog posts

Seasonal Worker Programme: participant perspectives

1. Satisfied seasonal workers

Stephen Howes, 3 April 2018



A farm in rural Victoria (Elizabeth Donoghue/Flickr/CC BY-NC-ND 2.0)

In recent years, a number of newspaper articles have suggested that Pacific workers are being exploited, if not enslaved, by unscrupulous employers in the Seasonal Worker Programme (SWP), under which Pacific islanders can be employed for up to six

months a year to work on farms. Fairfax journalist Nick McKenzie [compared](#) the SWP to 19th-century “blackbirding”, that is, slavery. Ben Doherty’s Guardian [article](#) was headlined “Modern-day slavery in focus. Hungry, poor, exploited: alarm over Australia’s import of farm workers.” He also made the link from the SWP to blackbirding.

At the time ([here](#) and [here](#)) I was sceptical about these general claims. Clearly there were some incidents of exploitation, but there was no evidence that it was widespread. And the fact that the scheme is highly regulated made this unlikely. And now my scepticism has been shown to be justified, with the publication of the new World Bank [report](#) on the SWP.

Among other things, the report details the results of a 2015 survey of Pacific workers in Australia, which asked 389 workers from nine Pacific countries how much they made and spent in Australia, and what they thought about their experience. Workers were selected randomly either in Australia or in the host country to avoid selection bias (i.e. the risk of only interviewing happy workers).

On average, Pacific workers saved \$8,680, which they either remitted while in Australia or took home with them. 78% of workers said that their earnings met their expectations.

Workers were also asked how satisfied they were with their experience in Australia. On a scale of 1 to 10, the average score was 8.6. Even more tellingly, workers were asked if they would recommend the scheme to a friend. 98% said they would. And more tellingly still, workers were asked if they wanted to return themselves: 95% said yes. 85% said they wanted to come back, not just for another year or two but for “as many years as possible.”

Indeed, increasingly it seems that workers are not looking to the SWP as a one-off temporary migration opportunity but as a career. Tonga and Vanuatu are the two biggest sending countries: the average worker from both countries has already been to Australia under the SWP three to four times. 42% of all workers surveyed said that for the next six months they “will not do anything and live off[f] SWP earnings”; another 15% said that they “will have a new job which only needs me for 6 months”.

Not all workers were equally happy: Tongans scored a remarkable 9.9 out of 10 for satisfaction, ni-Vanuatu were down at 6.3. And the Bank admits that there were a few farms its enumerators couldn't get access to. This may have skewed the results slightly.

Even so, these are remarkable results. Just to be clear: the argument is not that the SWP is exploitation- or problem-free. But, overwhelmingly, seasonal workers have a great time here in Australia; they want their friends to come and work here; and they are returning themselves for more of the same. It is nothing like blackbirding.

I look forward to these results being reported in Fairfax media and in *The Guardian*.

Based on comments made at the [launch](#) of the World Bank [report](#) Maximizing the development impact from temporary migration: recommendations for Australia's Seasonal Worker Programme on 28 March. Podcast [here](#).

Note: Figure 5.14 of the Bank report gives 91% as the percentage of Pacific workers willing to recommend the scheme to others. But it is clear from the graph that this is a typo and I have been informed that the correct number is 98%.

Stephen Howes is Director of the Development Policy Centre and a Professor of Economics at Crawford School, ANU.

2. Why Timorese workers love the Seasonal Worker Programme

Ann Wigglesworth, 12 June 2018



*A farmer in Timor-Leste
(UN/Flickr/CC BY-NC-ND 2.0)*

The Seasonal Worker Programme (SWP) is extremely popular in the Pacific and Timor-Leste where it recruits workers. It offers opportunities for workers to improve their livelihoods, earning more money than would be possible at home. The SWP

brings workers to Australia for six months to work in areas of seasonal labour deficit, specifically horticulture and hospitality. In Australia, the Department of Employment approves employers to the program, for which they are required to meet legislated

responsibilities for both living conditions and wage levels at or above the minimum wage. If employers are non-compliant, the Department of Employment is responsible for following up to ensure they meet their obligations to the workers. Notwithstanding the few cases where these obligations are not met (for example [here](#)), this arrangement provides a level of confidence that conditions comply with Australian standards. This level of oversight is not available to the majority of migrant workers globally, most of whom work in extremely harsh conditions in Asia and the Middle East.

Recent research on the SWP shows a remarkably high satisfaction level with the programme. Last year, the Labour Mobility Assistance Program (LMAP) commissioned research into the views of Timorese and Pacific migrants to Australia on the Seasonal Worker Programme. I was the lead researcher for Timor-Leste, completing an [in-depth survey](#) in November 2016 and a [follow-up study](#) in April 2017. A similar [study](#) was done in Vanuatu.

In the survey, 50 Timorese workers were asked how satisfied they were with their SWP experiences. An overwhelming 96% were satisfied, the majority (68%) being 'very satisfied'. In Vanuatu, all of the women and 91% of the men said they were 'satisfied'. In addition, 84% of Timorese workers rated their accommodation as 'good' or 'very good' quality, while 82% of ni-Vanuatu said the same. A pre-departure briefing for SWP workers provides them with an understanding of what to expect, and of their contractual conditions. 82% of Timorese workers attended the pre-departure briefing (most of those who didn't attend had prior experience with the SWP), and 99% of ni-Vanuatu attended. If the workers understand their contractual conditions, they can take action if they are not fairly treated. This does, of course, require the employees to understand their rights and their employers' responsibilities adequately, as well as to have the courage to take their complaint forward. But cases of improper practice can be challenged. The vast majority of Timorese workers described how they had benefited significantly from the SWP experience. The SWP is popular because returning migrants display visible signs of improved wellbeing and positive stories about their experiences, leading other community members to be attracted to follow in their footsteps.

In Timor-Leste, horticulture workers saved, on average, AUD 6,000-10,000 from their time in Australia, while hospitality workers were likely to save more. The average remittance over the work period by those that sent remittances is AUD 3,200. The workers brought the rest of the savings home with them; some who had only four-month placements did not bother sending any remittances at all. The most common use of remittances was for daily living expenses (78%), followed by house renovations (54%), educational expenses (50%) and customary obligations (44%) – the latter limited workers' choice of how to spend money due to having to meet family expectations.

When asked to comment about the benefits, 94% of all ni-Vanuatu workers said there had been positive impacts on their household as a result of their participation in the SWP, with the ability to pay school fees and educational costs identified as the most positive impact, followed by money to support their families. Effective workers are typically asked by their employer to return year after year, which gives them the

opportunity to build up their financial resources over some years. In Vanuatu, most workers (89%) said they would like to work in the SWP for as many years as possible.

In Timor-Leste, the dearth of jobs is widely seen as a major social problem and motivates many to join the SWP. In contrast to the ni-Vanuatu response, some Timorese men expressed a sense of demoralisation or being 'in limbo' because there were few options to contribute to the family in Timor. They explained that it is difficult to come back to Timor where there was no work, and their only possibility was to wait until they could go to Australia again as part of the SWP. Although 95% intended to return at least one more time, there was also a strong theme of wanting to use their new skills to contribute to the Timorese economy and establish a viable livelihood at home. Some men specifically said it was good to take part in the SWP while their children were little, but as the children grew up and went to school they did not want to be an absent father.

But most Timorese workers believed that they had gained useful new skills which could assist them to establish a business or get a job when they return home. About half of the workers intended to establish a business to support their family, and half of those (and all of the women) had taken the first steps in the process. Others, however, felt they lacked business skills or required support and were not able to realise their business plans. Also notable was the fact that no interviewed worker had used their agricultural skills even though most worked in the horticultural sector. This is a result of the fact that recruitment took place in Dili rather than in the districts. Initiatives to develop local tourism infrastructure such as guest houses and restaurants are already evident, with one interviewed worker already setting up a guest house and another setting up a restaurant. Such examples are not the exception, but an example of the desire and expectations of the majority of workers to use the SWP to, in future, secure their livelihoods at home.

Apart from the lucrative oil sector, Timor-Leste's economic growth is anticipated to take place predominantly in the sectors of agriculture and tourism. Returning workers from Australia, with skills and experience in horticulture and tourism, could contribute to these broader national goals if recruitment was appropriately targeted. A pilot program to recruit SWP workers in rural areas is planned. A greater focus on reintegration is needed as well, to help returning workers get knowledge and support from the various organisations that already exist to support small business development. Properly integrated into national policies, SWP workers from rural areas could gain valuable new skills for strengthening agricultural production and marketing and contribute to building the local economy.

Ann Wigglesworth is an Honorary Fellow at Victoria University, and also works as a consultant in social development and gender equality, particularly in relation to Timor-Leste.

3. The Seasonal Worker Programme: a personal story

Kerry McCarthy, 1 December 2017



*Our family, our workers and their families, back in their village
(Credit: Kerry McCarthy)*

This is an edited transcript of a speech given at the Pacific Labour Mobility Annual Meeting in Brisbane in November 2017.

My husband and I run a vegetable business on the Darling Downs, which is just under three hours west of Brisbane. We specialise in growing leafy greens and sell to both the Brisbane Markets and big grocery chains.

My talk today is from the point of view of a farmer. I do not have the facts and figures and I cannot show you graphs or charts. I can only relay my own experience and paint a picture of the seasonal worker story and how this program is changing lives for the better.

Five years ago, we became involved in the Seasonal Worker Programme due to necessity. At that time we were an isolated farm and could not find reliable local labour to employ. We tried using labour hire companies from the Lockyer Valley but as we were on the end of the line in regards to location, we were always given last priority. If you hadn't already heard, in regional Australia there is a major labour shortage!

We found out about the Seasonal Worker Pilot Programme at an Ausveg Conference and jumped at the opportunity to get on board.

We are only a small operation by Australian vegetable farm standards. We started with two workers under the programme and now employ 12 men and women. Our growing season is from October to July.



Our daughters Grace and Kate, with our worker Fox, his wife Janet and their babies Kerry and Jack McCarthy (named after me and my son Jack)

Our workers

Our workers come from a remote rural village in the Solomon Islands. They have no road access and no electricity. They don't own cars or operate technical machinery. They have to grow or hunt food or the family does not eat. They must build their own shelters. They are 100% accountable for their own wellbeing – a rare trait in modern Australia. Job opportunities are rare to non-existent. This standard of living helps shape their positive work ethic. They arrive in Australia physically and mentally fit. They are here to work. They want to work. They are enthusiastic and show ownership. They want to learn and they want to be appreciated for the job that they perform. They are energetic, easily trained, honest, happy and reliable, and they are grateful. They really are every employer's dream.



Our worker Allen with Kate, Jack and family children, travelling from the village on the Kwarare River

In short, the Seasonal Worker Programme has offered us a reliable labour solution. It has given us the confidence to expand our business, knowing that we can plan ahead, as our workers are going to be there for us and are going to stay with us for the whole season. Yes, it is a lot of paperwork. Yes, it is time consuming to get involved, and, yes, it is a lot of responsibility to ensure the wellbeing of the workers whilst they are employed in your care 24 hours a day. However, the benefits outweigh the disadvantages. We estimate that one of our Solomon Island workers does the workload of nearly two regular workers.

Win-win

The Seasonal Worker Programme is a win-win.

I, the farmer, get what I want – a productive season and a viable business with a future.

Our workers get cash – money to take home and better the lives of their families, their villages and their communities. They not only get income, they go home with a sense of self-worth. A sense of accomplishment, hope for a brighter future, and ideas. Ideas to invest in their future. Perhaps business opportunities that were never possible before. Some of the things our workers have invested in are: a taxi based in Honiara, a fishing boat (with a motor) that is now permanently leased, and tools and machinery (generators, and chainsaws for cutting timber to build their own homes or to sell for income). We have had five new high-quality houses built by our workers, as well as other infrastructure improvements.



Grace showing a teacher from the One One Village School one of the laptops donated by the McCarthy children's school (The Scots PGC College in Warwick, Queensland)

Our employees have now become employers – they pay neighbours to do jobs for them whilst they are in Australia: cut timber, create gardens, build structures. The economic opportunity spreads through the greater community. This wealth is being shared. They financially support the local school where over 300 children are registered. This school has two permanent classrooms and no drinking water or sanitation. This school now has hope. Hope for a better future. My family has visited the village for the last two years; to witness the changes first hand is overwhelming. All of this positive change has come from our small business. It boggles the imagination as to what can be achieved on a broader scale.



School student warriors welcome

The town of Clifton is our closest town, with a population of approximately 1,300 people. Our workers have integrated so well into the community that they have formed friendships with local storeowners and residents. They have earned the respect of the locals by being polite, kind and friendly and supporting local businesses by buying from them. They volunteer to help set up for the school fete, they attend the local show (where they are hot contestants in the cross-cut saw competition) and rodeo, and they attend local church services. We are often asked: "When are the boys coming back?" At Christmas they have been given beef and

lamb from neighbours, and during their stay they are usually gifted several whole pigs and multiple unwanted roosters, which they excitedly accept.



Welcomed to the village by the pan pipe band

Back in the Solomons we have babies named in our honour. We are treated with respect and we are treated as family. Up that river, in that remote jungle village, the boys have built me my own washroom with a flushing porcelain toilet. Throughout our Seasonal Worker Programme journey, we have developed a close working relationship with the Honiara Government Labour Sending Unit, as well as the Australian High Commission in Honiara. It is great to have friends with a common cause.

Pacific Labour Scheme

I am so excited by the new Pacific Labour Scheme and the opportunities it brings for the Solomon Islands, other Pacific island neighbours, and Australian businesses.

Pacific islanders have never had such access to Australian working visas. Australia spends a fortune on much-needed economic aid in these regions, but these working visa programs will help bring independent financial security to those lucky ones who are involved in them.



Grace presenting one of the donated laptops to the Head Girl of the One One Village Primary School, Malaita Province

While our employment will probably remain under the Seasonal Worker Programme, the opportunities for other Australian businesses who sign up to the new program are endless. We have been directly asked by the local Clifton hospital board if any of the wives could come and work in the local nursing home. They are desperate for unskilled staff.

This opportunity for the Pacific has a long time been in the making and I applaud the Australian Government for having the foresight to bring the program to fruition.

We need to continue to support the Pacific Governments' Labour Sending Units, ensuring they send the best quality workers with the best intentions to these positions in Australia. The word is already spreading and increasing numbers of Australian employers are realising the benefits of the Programme to their businesses.

I will continue to "bang the drum" about the Seasonal Worker Programme and the Pacific Labour Scheme. They are no-brainers. And I can't wait to see their evolution over the next few years. The potential for these schemes are staggering.



Kerry with the school's Head Teacher, John Maeinua

Kerry McCarthy and her family own a vegetable farm on the Darling Downs in Queensland, and have been employing workers from Solomon Islands under the Seasonal Worker Programme for the last five years.

4. In conversation with Lionel Kaluat, former Labour Commissioner of Vanuatu

Matthew Dornan and Lionel Kaluat, 11 April 2018



A panel organised by the Vanuatu Council of Trade Unions at the Vanuatu Labour Summit (Credit: Matthew Dornan)

Last month, on the sidelines of the Vanuatu Labour Summit, I caught up with Lionel Kaluat, the former Labour Commissioner for Vanuatu. Lionel is widely viewed as having been instrumental in Vanuatu's early labour mobility success, which saw Vanuatu become

the main provider of workers to New Zealand horticulture under the Recognised Seasonal Employer (RSE) program. I asked Lionel both about those early successes, and about recent changes to Vanuatu's labour sending arrangements.

Matt: Lionel, you were Labour Commissioner when Vanuatu – quite against expectations – became the largest provider of seasonal workers under New Zealand's Recognised Seasonal Employer scheme. What do you think was behind that success?

Lionel: Well, I believe the success story of how Vanuatu came to lead in New Zealand was basically because of the structure that we had right in the beginning which complemented New Zealand government policy.

And I think the beauty of the RSE program in the beginning was that New Zealand made sure that their backyard was cleared up, that the illegal workers were dealt with before the program commenced — I always repeated to Australia to follow that example.

That was one of the reasons for RSE success: we started off with clear ground.

I then introduced a policy where we would not be reliant on the government as [an] agent, but where we would privatise the program by engaging agents, to ensure that there was no political interference. That was instrumental to that early success.

That allowed a transparent [and] accountable system to work, and we did so by trialling out the first 104 workers in a pilot. And the pilot proved successful.

Through that, employers in New Zealand found that our workers were reliable, competent. That's how we first developed a trademark, or trade name: we are reliable workers, we can work eight hours a day, we are healthy, physically and mentally fit.

We also featured the skills our workers had, coming from rural areas. We picked people from rural areas who spent most of their time in the gardens.

I believe that once you do things right in the first place, you will always be right. So, we are very, very proud, and very glad that we actually had it on the right track right in the beginning.

And another good thing was our partnership with the New Zealand authorities. We were monitoring, providing advice, and making sure that things were done right in the first instance.

Matt: And it's been, what? More than ten years since then? How do you think Vanuatu is going now in terms of labour mobility and its participation in the RSE and Australia's Seasonal Worker Programme (SWP)?

Lionel: Well, they are market-driven programs. So, as years come by, the numbers dictate the growth of Vanuatu's participation. So, Vanuatu's still leading the table. But to ensure that we sustain and continue to grow, we need to make sure that the policies that have been put in place right in the beginning have to continue to be sustained.

There can be some adjustments and amendments done, but the foundation of that policy has to be maintained. Because I think that is why we were successful. If we start to change things and do it too differently, I think it will really impact the Programme negatively.

One example is how we came about to license labour hire agents. During my tenure in office, I ensured the number of agents (who recruit workers in Vanuatu on behalf of Australian/New Zealand employers) was based on the demands of the employers. That is why in the case of New Zealand, we started off with 32 agents right in the beginning, and then we allowed that to drop off, and we eventually end up with only six agents providing workers to New Zealand – because of the direct recruitment of workers (without labour hire agents) by New Zealand employers.

With the new changes that have happened, with the licensing of many new agents, I hear that there's about 20 agents providing workers to New Zealand, and 100 or so for Australia. And if we look at the Australian example, where there are about 46 approved employers, the market demand is just too small for 100 agents.

That doesn't make sense. If we don't manage this properly, then we risk developing a bad reputation for the country.

I really want to strongly emphasise and recommend to the government that there has to be close supervision of Vanuatu's involvement in [the] RSE and SWP. And also very close liaison with the New Zealand [and] Australian governments. We need to make sure that the legal framework that has been established is fully enforced – that is the Seasonal Employment Act, which establishes a rigorous process through which new agents must be licensed.

Matt: And so, what's behind the increase in the number of agents?

Lionel: I don't have the answer. The Minister of Internal Affairs would have the answer. But the way I heard him talk this morning, in trying to respond to why he

decided to increase the numbers, he basically said that he followed people's requests to him, in which they convinced him that they have contacts (in Australia or New Zealand) already, and that they want to get their license.

Now I think we should be very, very careful. We have developed a system where labour hire agents have to apply to be licensed. There is a specific form that they have to use to apply. And that form does make mention that you have to be in business, you have to be business-oriented, you have to have a company name to sustain yourself. Once you apply, we have a special screening unit to issue — to do the vetting, and then also do the due diligence checks, and then it goes before a special committee which is made up of the Labour Commissioner, the Superintendent of the Vila Central Hospital, the Principal Immigration Officer, the Police Commissioner, and Director of Foreign Affairs.

I don't know how we get 100 agents approved through that system. If they haven't followed that procedure, then it's already something that's not working within the system. And like we heard in the conversation today, I am hearing from some of the agents that employers are already concerned about the big numbers of agents.

Matt: Over the last two days at the Vanuatu Labour Summit, we've heard a lot of conversations about the potential impacts of labour mobility on agriculture back in Vanuatu. And as a result of those discussions, there have been proposals from the Minister for Agriculture to require that workers plant 500 kava plants. There was also another proposal that there be term limits on the number of times that workers can return. What's your view on those sorts of initiatives?

Lionel: Those are the right initiatives that we need. I actually already have those in mind, and they are outlined in a paper called "Reintegration and returning home plan."

So, I really welcome that sort of initiative. It should be something that is driven by the government. And I am pleased that the Minister of Agriculture realised how agriculture [in Vanuatu] could benefit from the Programme.

In my view, labour mobility can contribute to food security. Because if you can use all the skills that we have gained in horticulture, viticulture, and transform them into whatever food crops that we have back home, that translates into training individuals to become entrepreneurs, you empower the people in the community. And then you sustain a much better economy in terms of health, nutrition, education and finance. This is how I want to see things happen, to grow the whole economy.

Matthew Dornan is Deputy Director of the Development Policy Centre, and Lionel Kaluat was formerly the Labour Commissioner for Vanuatu for fourteen years.

5. RSE workers ten years on

Rochelle Lee-Bailey, 9 April 2018



Some of the research participants at work (Credit: Rochelle Lee-Bailey)

In 2007, I began research with 22 ni-Vanuatu seasonal workers arriving in Central Otago for the first official season of New Zealand's Recognised Seasonal Employer scheme (RSE).

As part of a longitudinal study, I followed the lives of these seasonal workers, their employers, their families, and

their communities, whether they continued in the scheme or not. I am still in contact with 20 of them.

Where are they now?

Nine of the workers are currently working in New Zealand; eight as RSE workers and one with a two-year "talent visa" through his employer, which enables his family to live with him in New Zealand. He is not the only RSE worker that has been given this opportunity. Interestingly, when the RSE visa was established, it was made clear that it would not be a pathway to other immigration visas (and this is still [the official position](#)). Of the other 11 men, after seven seasons of the RSE, one is now working in Australia's Seasonal Worker Programme (SWP) and the remaining ten are in Vanuatu.

Reasons to exit

Various reasons were given for leaving the RSE. Five of the men were stood down on the blacklisting system. Any misconduct of workers' working and living regulations are reported by employers and team leaders to the Vanuatu Employment Services Unit (ESU). Being blacklisted prevents workers from returning for two to five years, or indefinitely, depending on the offense. Others did not earn as much as in earlier seasons (specifically, 2009-2010 was a lower-earning season, due to weather conditions). A number of men said they needed 'a rest to spend time with their families'.

Seven of ten men in Vanuatu said they either wished to return to the RSE or apply for the SWP, to earn money for school fees. Nonetheless, once removed from seasonal worker programs, it is [difficult to return](#), unless arranged with an employer.

Achievements of workers

Workers stated that without participation in the RSE many of their goals would not have been realised, especially in terms of educating their children.

Within weeks of participating in the RSE in 2007, many of the workers began small business trading with each other, despite the fact that not one of these workers had studied past grade six. 14 workers said they had used some of their funds to start a business. The range of businesses demonstrates entrepreneurial audacity. Popular businesses initiated by participants ranged from accommodation, bakeries, and cattle ranching, to stores, tourism ventures and transportation (buses, taxis, tour guides and trucks).

Most did not initiate businesses until after three seasons of participation. Workers waited because they had to repay loans for participation in the scheme, and because they need the greater security and savings of participation over several seasons.

Not all the ventures succeeded and some are still reliant on [continued funding](#) from participation in the RSE, especially businesses which require ongoing loan repayments. Much of the lack of success of previous business initiatives are associated with the business environments and restrictions that workers feel they have at home. Workers especially highlighted social obligations and requirements that do not necessarily fit within [orthodox business practices](#).

Table 1 shows the various ways that workers have used their earnings over this ten-year period. It is similar to what I found when I first talked to the workers in 2007. Contributions to *kastom* ceremonies remain central, as exchange is a central part of ni-Vanuatu relationships. The transactions that ni-Vanuatu make with each other have consequences for wider economic and [social relations](#). These also create safety nets for workers once their time in seasonal programs has finished.

Table 1: Earnings allocations in a ten-year period

Expense	Percentage of workers
School fees	95%
Land for house or business	57%
House	85%
Business	71%
Material goods for starting or improving a business	71%
Church donations	90%
Community obligations	90%
Community wells	81%
Built a church	38%
<i>Kastom</i> ceremonies	90%
Bride price	66%
Cattle	38%
Start-up funds for spouse/ family member's business	32%

Reasons for continuing

Workers continue to participate in the RSE due to the ongoing benefits that motivated them initially. School fees continue to be a priority, and earnings from seasonal workers programs have enabled children to complete secondary schooling and further themselves in tertiary education. Many see their work in New Zealand as their career, and none of the ten-year veterans of the scheme have any intention of stopping within the next five years. This contradicts the information provided in their second round of interviews in 2008, where most workers had planned to only work for two or three seasons. The RSE may be called a temporary labour scheme, but for many workers – who work for the same employer for seven months per year for ten years – their participation hardly seems temporary.

Rochelle Lee-Bailey is a Research Fellow at the Department of Pacific Affairs, ANU.

Seasonal Worker Programme: sending-country issues

6. Blacklisting seasonal workers

Rochelle Lee-Bailey, 12 July 2018

Workers in the Pacific Labour Mobility Program (DFAT/Flickr/CC BY 2.0)



This post examines the practice of blacklisting in seasonal worker programs such as Australia's Seasonal Worker Program (SWP) and New Zealand's Recognised Seasonal Employer scheme (RSE). Blacklisting occurs when workers are permanently or temporarily excluded from programs. It can vary from two to five years, or be indefinite, depending on the offence.

The practice of blacklisting is rarely highlighted, but should be discussed, as there are implications for all stakeholders. This blog raises these issues in the context of ni-Vanuatu in the RSE scheme.

The main impetus for this post is to highlight what happens when workers are blacklisted, some of the reasons behind this, and how growers are affected when perceived problematic workers are not reported to government labour sending units in future seasons.

Deported seasonal workers are well-documented within labour sending units. Currently in Vanuatu there are 106 workers on the Employment Services Unit (ESU)

ban list and a further 1300 on the stand-down list¹. Although this number may seem alarming, it covers both the RSE scheme and the SWP since 2007. By contrast, inappropriate behaviour by workers is not always documented, and workers are often not penalised.

Impacts on workers

Blacklisting is a grey area. Although workers have been blacklisted for justifiable reasons, I have also [documented](#) cases of when they have not. Tanya Basok [wrote extensively](#) on how blacklisting was used as a threat to maintain compliant workers in the Canadian Seasonal Agricultural Workers Program (SAWP). Many of these types of cases have been witnessed within the RSE scheme and SWP, especially the threat of being blacklisted, which is used to ensure that workers are compliant while participating in the programs. If workers do not follow the rules of the program, or individual employers, then they are penalised through blacklisting: “The controlled nature of their recruitment, their fear of losing an opportunity to participate in the employment program, makes workers acquiescent”.

I have noted examples of these threats throughout my research conducted with workers in Australia and New Zealand. Examples include comments such as, “If they don’t like it, there are plenty more in the Pacific lined up to take their place” (anon.); “... we just sent these guys to [another] farm because they were working too slowly, so keep the pace or you can be replaced too”; and “if you complain you can go home”. [Tipples and Rawlinson](#) highlighted an RSE mediation case where the mediator stated, “if you don’t go back and work this out, you are in breach of your visa and you all need to go home [and] that broke any resistance to the problem straight away”.

My research ([2009](#), [2014](#)) has highlighted that personality differences and various power relations between workers and their employers or supervisors jeopardise future employment opportunities. Five of my longitudinal RSE research participants have been blacklisted. Three of these were for alcohol abuse and damage to property, but the reason for the other two is more difficult to say as it has been argued that there was no evidence that their behaviours were inappropriate during their visa stays. However there was [evidence](#) of personality differences and power struggles between these men and their New Zealand supervisor, who inappropriately used his position of power to threaten the workers. One of these workers asked the Vanuatu ESU why was he blacklisted and was not given a reason.

A noticeable trend mentioned recently by New Zealand’s Deputy High Commissioner in Vanuatu, as well as a number of employers at recent RSE and SWP gatherings, is the number of long-term workers that are being blacklisted:

“I don’t know if that is due to complacency or knowing the system ... if it’s the stresses placed on them from multiple visits. I am not too sure, we don’t want issues like this to derail from the positive aspects of the scheme ... we can’t let the actions

¹ Data provided by Julie Reedman, Vanuatu Employment Service. 9 April 2018. The ban list prevents workers from returning, whereas the stand-down list prevents them from doing so for a limited period of time. In 2017, Vanuatu sent approximately 6500 workers to these seasonal worker programs.

*of a few spoil it for everyone ... at the same time we have to look at the underlying reasons why issues like that happen*².

Control creates resistance and, as mentioned above, long-term workers do show some complacency to regulations. Even though workers accept the conditions of their employment contracts, and have various forms of coping with the [restrictions](#), they do sometimes resist, but not usually in ways in which they will be removed from the program.

Impacts on employers and labour sending units

After being blacklisted from one scheme, many workers try their luck in entering the other. This is concerning for both the sending countries and, more importantly, the employer. Recently I had a conversation with an SWP employer who had concerns about a worker from a Pacific country because rumours were circulating that he had been blacklisted from the RSE scheme for inappropriate conduct. Enquiries with New Zealand's RSE manager confirmed the rumours, yet the labour sending unit of that country was not aware of the issue with this particular worker. This is not an isolated case. It can be difficult for labour sending units to know if an applicant has been blacklisted as often they will change their name in order to seek another opportunity. I have documented this on a number of occasions.

The Vanuatu ESU requires team leaders to report back in regards to workers' behaviours. As discussed in a previous [DPA In Brief](#), this debriefing process needs to be improved, as it can lead to further problems with future employers when non-compliant workers are not reported. Another difficulty is that often employers remove workers from their own list, but don't report them. Reasons for this include employers not having time for reporting, or their reliance on team leaders to do so. As a consideration to other growers, employers should take the time to report workers that have been a problem for them, not just move the problem worker to another employer. Nonetheless, to ensure their continued participation in the scheme, the Vanuatu government has [clearly demonstrated](#) that the practice of blacklisting will be used to punish those that do not comply with the schemes' or their own regulations and expectations.

Conclusion

Strengthening application processes for these schemes is paramount not only for the reputation of the labour sending country but also for maintaining the supply of reliable, honest workers to growers. Reporting templates for employers and team leaders – on workers who have either not worked satisfactorily or have conducted themselves inappropriately during their time – should be mandatory. These reports should be given to sending units to manage and monitor workers. Workers should also have rights to discuss any reports made against them with the labour sending units, with a mediator if appropriate. With an increased number of workers entering into the RSE scheme and SWP, safety systems should be in place so that workers

² Youngman Park, Team Leaders Workshop, Port Vila, 30 June 2017.

and employers can be confident of positive outcomes from participation in and management of these schemes.



This post was originally published as [Department of Pacific Affairs \(DPA\) in brief 2018/15](#).

Rochelle-Lee Bailey is a Research Fellow at the Department of Pacific Affairs, ANU.

7. Remittances biggest export earner for Timor-Leste after oil

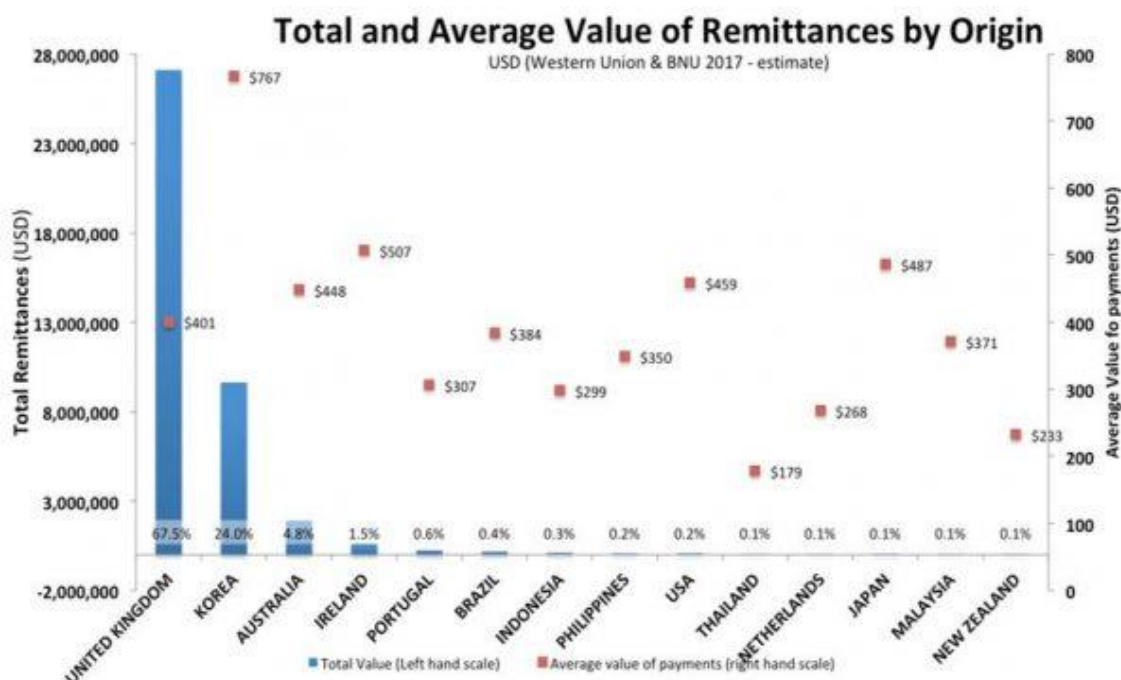
Richard Curtain, 22 March 2018



Women work on the Road for Development Programme in Timor-Leste; the improved road access for rural Timorese will hopefully bring economic benefits (ILO in Asia and the Pacific/Flickr/CC BY-NC-ND 2.0)

Recent data show the surprise finding that remittances are Timor-Leste's largest source of foreign revenue after oil and aid. More than USD 40 million was remitted to

Timor-Leste in 2017, made up of over 85,000 individual payments. This means that labour services is Timor-Leste's major export, more important than coffee exports (between USD 10 and 20 million a year) or revenue from tourism (estimated at USD 14 million in 2014).



The February 2018 *Labour Market Outlook Timor-Leste* was launched recently in Dili, and provides data on both the total and average value of remittances to Timor-Leste from all around the world.

The 2015 census records that 18,129 Timorese who are members of a household in Timor-Leste are living abroad. This is an increase of 6,600 from the number of household members living abroad reported in the 2010 census. This means that 1.6 per cent of the total population in 2015 was living overseas, compared with 1.1 per cent in 2010. Employment is the reason given for half of the current Timorese household members living overseas, and up to 57 percent of the men living abroad. One third of the Timorese are living overseas for education reasons.

There are two types of labour mobility pathways available to Timor-Leste. One pathway is completely unmanaged with no government support at both ends of the pathway. The other pathway is highly managed with strict government controls imposed by both the sending and receiving country.

The unmanaged pathway contributes the largest share of remittances because of the greater numbers of migrants involved and the length of time they have been resident overseas. The majority of the amount remitted (\$27 million) came from the UK. This large remittance inflow is from an estimated 16,000-19,000 [Timorese residents in the UK](#) on Portuguese passports, predominantly working in meat factories, warehouses and cleaning jobs.

This migration pathway is all but invisible because it is self-funded and supported by family ties overseas, without any government support. It is a pathway made possible because all Timorese born before Timor-Leste's independence in May 2002 are eligible for a Portuguese passport, which provides open access to the EU. As Ann Wigglesworth and Abel Boavida dos Santos pointed out in their [presentation](#) to the 2017 Australasian Aid Conference, the scale of this migration demonstrates a strong demand among Timorese households to invest in funding the cost of one or more of their members to migrate overseas for paid work.

The managed pathway of migration for work to Korea and Australia accounted for 29 per cent of remittances in 2017. These remittances data do not include the savings brought home in-hand by migrants. This applies especially to seasonal workers on short-term work in Australia who face high transfer costs for sending money through the banking system.

The three source countries for remittances account for 96 percent of all remittances. Government and donor support to facilitate both types of pathways are likely to yield considerable benefit for domestic households and the national economy. However, the export of labour services is not seen by the Government of Timor-Leste as a major source of foreign revenue, and is overlooked completely in the World Bank's [latest economic assessment](#).

Timor-Leste's estimated population in 2018 is 1.3 million. Young people aged 15 to 29 years account for over half (54 per cent) of the working age population (15 to 64 years). Jobs in the domestic labour market are scarce, with no growth in jobs in Dili between two Enterprise and Skills Surveys in 2016 and 2017.

Opportunities to work in the UK may fall off for newcomers after Brexit. However, work may still be available in the Republic of Ireland and perhaps in Northern Ireland, depending on how the issue of free movement over the border is settled. Britain may also set up, post-Brexit, a special program for low-skilled migrants for specific jobs and regions, similar to the Australian Seasonal Worker Programme (SWP).

The South Korea Employment Permit System, offering low-skilled temporary work, provides jobs from three to just short of five years for between 100 and 500 Timorese each year to 2017.

Australia has been a major source of short-term jobs for low-skilled workers in Timor-Leste. The SWP has increased the number of jobs taken up by Timorese from 12 and 35 in 2012 and 2013 respectively, to 298 in 2016, with a jump to 781 in 2017.

According to the *Labour Market Outlook*, remittances from South Korea and Australia have grown by about 22 per cent each year since 2015, to about USD 11.2 million in 2017, so in a declining domestic job market, seasonal work in Korea and Australia offer reliable sources of short and medium-term jobs for low-skilled Timorese job seekers.

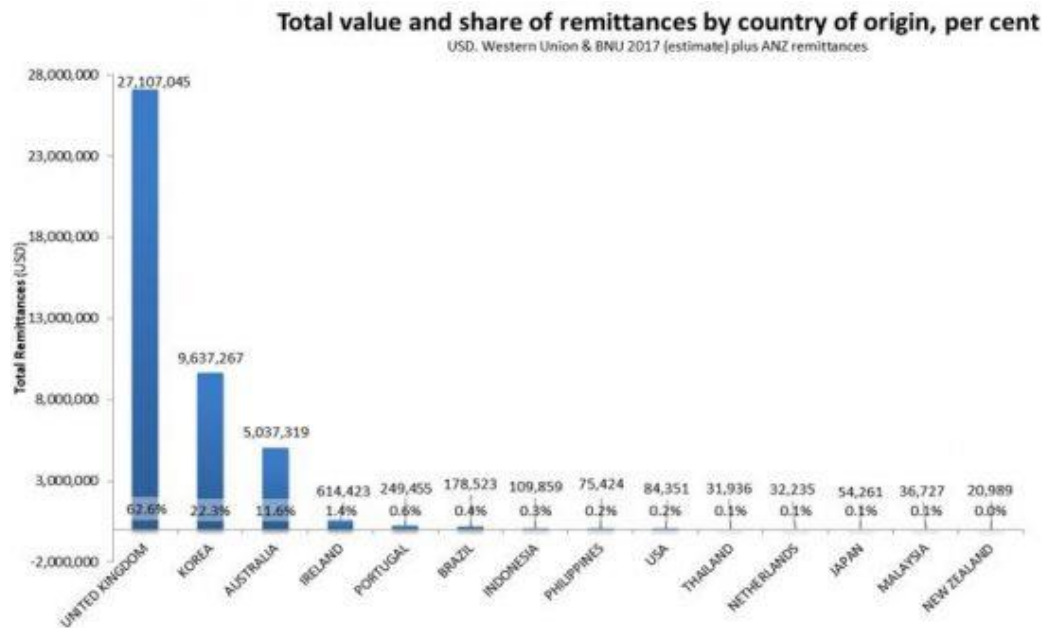
Note: Remittances for 2017 reported in Labour Market Outlook Timor-Leste are based on an extrapolation of data for the full year from the two main conduits for remittance flows: BNU (Banco Nacional Ultramarino) and Western Union, for the period January-July 2017.

Richard Curtain is a Research Fellow at the Development Policy Centre.

Update:

The [surprise finding](#) that remittances were Timor-Leste's largest source of foreign revenue after oil and aid in 2017 is further confirmed by new data to hand, provided by the Labour Market Information Directorate, Secretary of State for Youth and Labour, Timor-Leste. Information from the ANZ Bank shows an additional USD\$3.1 million was remitted from Australia in 2017. The estimated total amount remitted to Timor-Leste in 2017 through three conduits: Western Union, BNU (Banco Nacional Ultramarino) and ANZ Bank, now stands at USD\$43.78 million.

The graph below (an updated version of the graph in the [original blog post](#)) shows the estimated value and share of the remittances for 14 source countries. The share of remittances in 2017 from the UK is 62.6 per cent, from Korea 22.3 per cent and from Australia 11.6 per cent. Remittances from the UK injected USD\$27.1 million into the Timor-Leste economy in 2017, followed by USD\$9.6 million from Korea. The remittances from Australia are an estimated USD\$5 million, up significantly from the earlier estimate. Moreover, as noted [previously](#), these data do not include the savings brought home in-hand by seasonal workers.



8. Vanuatu grapples with seasonal worker success

Matthew Dornan, 16 March 2018



Cultivating seedlings in Port Narvin, Vanuatu, after Cyclone Pam (UNDP/Flickr/CC BY-NC-ND 2.0)

Last week the Government of Vanuatu convened its first ever labour mobility summit, on 8-9 March in Port Vila – an initiative of Hon Ralph Regenvanu, Vanuatu's new Minister for Foreign Affairs, International Cooperation and External Trade. The meeting provided an opportunity to take stock of

the Vanuatu government's successful efforts to export labour services to horticulture industries in Australia and New Zealand. Vanuatu is the largest supplier of workers under New Zealand's Recognised Seasonal Employer (RSE) scheme, despite not having the large diaspora population that other Pacific island nations have in New Zealand. It is the [second largest supplier](#) under Australia's Seasonal Worker Programme (SWP), and, if growth rates continue, it will soon become the largest supplier.

This success has generated significant economic benefit for rural communities in Vanuatu. The income that seasonal workers bring back to their communities – almost A\$10,000 according to the results of a World Bank evaluation to be [launched](#) on 28 March – is several times what most would earn or produce at

home in a year, even when considering production from subsistence farming. The provision of such jobs and income earning opportunities in rural communities is an explicit objective of [Vanuatu 2030](#): Vanuatu's National Sustainable Development Plan.

Success, however, often generates its own problems. Three such problems were the focus of discussion and debate at the labour summit.

First, the recruitment of workers by agents in Vanuatu has come to be seen as lucrative, and so outsiders have lobbied the government to lift the number of registered agents. This lobbying has been successful, with the Hon Andrew Napuat, Minister for Internal Affairs, making [changes](#) that have led the number of agents to more than triple in the space of a few months. The Minister defended the move at the labour summit, arguing that it was equitable and might lead to the expansion of seasonal worker numbers. Critics of the expansion note that it risks damaging the good reputation of Vanuatu among employers in Australia and New Zealand – there are already complaints about the large number of cold calls from agents in Vanuatu seeking to promote ni-Vanuatu workers.

The second problem emanating from Vanuatu's success is that participation has led to inequalities, given multiple return visits by workers. Indeed, some workers in Vanuatu have been participating in the RSE on an annual basis for ten years. Addressing inequality is one of the arguments that was used in the summit to justify a proposal to limit the number of times that workers can return to Australia or New Zealand. Term limits were also promoted on the basis that they would reduce dependency of households on the SWP/RSE and ensure that they did not abandon agriculture (more on agriculture below).

Unfortunately, there were very few employers at the labour summit to point out the problem with term limits. But one problem is obvious: employers prefer to hire return workers. Return workers are already familiar with their tasks, there is no learning curve, and they have [higher rates of productivity](#). None of this would matter if seasonal workers from Vanuatu were the only labour source available to farmers, but that is not the case. Demand for workers under the SWP and RSE is driven by employers, meaning that Vanuatu must compete with both (i) other Pacific island nations to supply seasonal workers, and (ii) with alternative sources of labour, such as backpackers. In establishing term limits, Vanuatu therefore risks lowering demand for its workers, undermining its success to date.

The third problem resulting from Vanuatu's success is that agriculture in Vanuatu is seen to be suffering. Whether or not this problem is real is difficult to gauge (I'm not aware of any data that supports it). Participation in the SWP/RSE certainly has the potential to reduce agricultural output in areas in Vanuatu where there are labour shortages – though workers would still be earning more than they would in agriculture (otherwise they wouldn't go). But it also has potential to help address other barriers to agricultural production in Vanuatu, such as skills gaps and lack of financing.

In any case, it was clear at the labour summit that Hon Matai Seremaiah, Minister for Agriculture, views the SWP/RSE as having reduced agricultural output in

participating communities. He therefore proposed a new requirement that returning workers – after their second year overseas – plant 500 kava plants before being allowed to participate in the RSE or SWP again. In doing so, he noted that Samoa has a similar arrangement in place, though it is driven by communities and not by the government.

The challenge with this proposal is its implementation, and related to this, its top-down design. The Samoan arrangement has worked because it was driven by the community itself, which wanted to avoid a decline in agricultural production. That community also determined the design of the arrangement. A scheme implemented by the Vanuatu Government would not share those features. The risk is that it would be an external imposition that specified requirements that went against the wishes of communities. It would also, by its very design, burden workers who already contribute to their community by going overseas (workers who, with their households, may have made a logical decision to prioritise work overseas over domestic agriculture given the greater income-earning opportunities).

What could the government do to address such challenges? There are many options available, but what is crucial is that the government approach such challenges in the same way that it would challenges in other sectors: on the basis of sound public policy. We would not expect term limits to be placed on public servants or other occupations in a bid to achieve greater equity, just as we would not expect public servants to be required to work on farms in a bid to boost agriculture. In the same way, proposals for term limits and requirements to work in agriculture are problematic when applied to seasonal workers. Challenges emanating from greater rural inequality and from declining (possible) agricultural production are best dealt with using other policy levers.

The most obvious initiatives to support agriculture and address inequality lie outside of the SWP/RSE entirely. We know that there are barriers to business and agricultural development in rural areas that need to be addressed – barriers that include lack of financing, skills gaps, and infrastructure deficits. These should be the focus. Similarly, rising inequality in rural communities should be addressed not by limiting opportunities for households that are doing (relatively) well through the SWP/RSE. The focus should be on supporting households that are struggling. A good start would involve providing better information to non-participating households and villages about the SWP and RSE. Recent [World Bank research](#) shows that even today many remote communities in Vanuatu are unaware that these programs exist, or else have a poor understanding of them.

There is of course also an important role for government in managing Vanuatu's participation in the SWP/RSE. It was acknowledged at the summit that more could be done to assist returning workers to invest their earnings and apply their skills to productive economic activities back home. How this can best be done in a positive way, by incentivising and empowering workers rather than constraining them, deserves more attention. The issue of agent licensing is also something that the government should examine. There is a case for both regulating and limiting the number of agents, given their important role in promoting ni-Vanuatu workers to employers in Australia and New Zealand. Clearly, there are currently too many

agents (over 100, compared to approximately 35 participating employers actively recruiting from Vanuatu in Australia), and this poses a risk to Vanuatu's reputation.

Vanuatu is in a strong position. But it should not take its success for granted. It is good to see the Government of Vanuatu aware of the challenges that are faced, and facilitating public discussion about the best way forward. Only by sound public policy will the country be able to ensure that the next ten years are as successful as the last.

Matthew Dornan is Deputy Director of the Development Policy Centre.

9. ANZ seasonal labour programs are not too reliant on return workers: part one

Stephen Howes, 6 August 2018



Workers in the Pacific Labour Mobility Program (DFAT/Flickr/CC BY 2.0)

There are concerns about the propensity of seasonal workers to return to Australia (under the Seasonal Worker Programme or SWP) and New Zealand (under the Recognised Seasonal Employer scheme or RSE) year after year. A [World Bank survey](#) of SWP

workers argues that “most participating workers are in the Programme for long-term employment.” [Employer surveys](#) show the preference of employers for return workers. Sending-country governments are worried that there will be few opportunities for new workers to enter the schemes, and limited incentive for workers to invest domestically if they keep returning. Vanuatu is [reported](#) to be considering “a proposal to limit the number of times that workers can return to Australia or New Zealand.”

But how prevalent is this reliance on return workers? Analysis so far has been based on data around employer and employee preferences rather than on how many times workers actually return. The analysis I have carried out, and which I report below, shows a very different story.

Consider two extreme scenarios, one in which return visits are banned, and one in which new workers are hired only when the scheme is expanded. I show that both the SWP and the RSE are more like the former (no reliance on return workers) than the latter (maximum reliance on return workers). Moreover, what reliance there is on return workers is stable rather than rising. What already seems to have emerged is a benign pattern in which employers get the benefits of being able to hire workers with

experience, and Pacific countries are still able to share the benefits of seasonal work around.

The bottom line is that sending governments should refrain from putting limits on the number of times workers can go on seasonal work. There is just no need for limits on return workers, and they will become simply one more complication in what is already a complex scheme.

The analysis that supports this conclusion is split up over two posts (second post [here](#)). Let's dive in.

It is certainly true that there is a big difference between seasonal worker visits and seasonal workers. There have been about 27,400 SWP visits so far (up to June 2018) to Australia, shared among some 14,300 individuals. The average SWP worker has made almost two visits (1.9 to be exact).

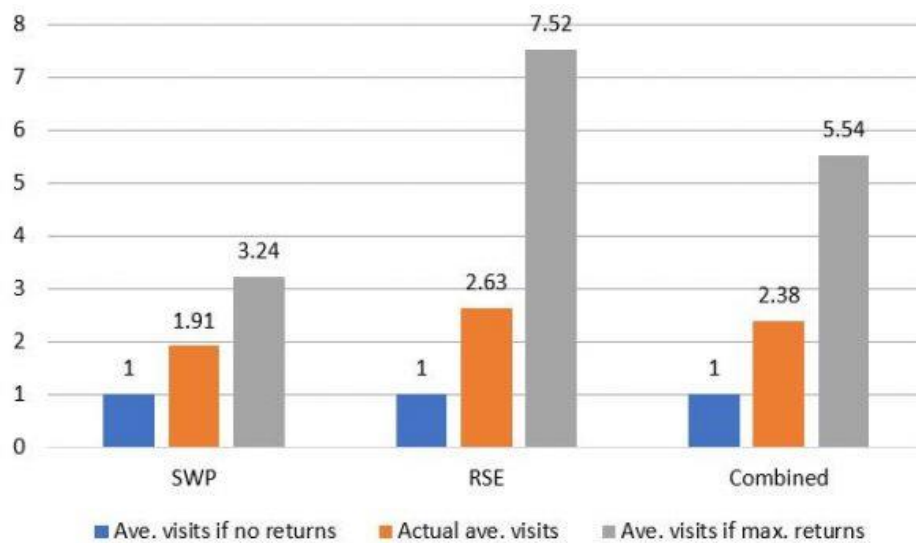
In New Zealand, the Recognised Seasonal Employer scheme (RSE) has had 73,500 visits shared among 28,000 workers since 2007-08 (up to 2016-17). The average RSE worker has made 2.6 visits.

In the most recent year (2017-18), 49% of SWP workers had already been to Australia at least once before; in New Zealand, which is experiencing much less growth, this figure (in 2016-17) for RSE workers was 72%.

It is not hard to explain the preference of employers for return workers. It makes sense to weed out the bad workers in the first year, and invite the good ones back. But it would be wrong to conclude that the reliance on return workers is excessive. In fact, the numbers indicate that participation in seasonal work is much broader than would be the case if it was simply a matter of the same workers returning year after year.

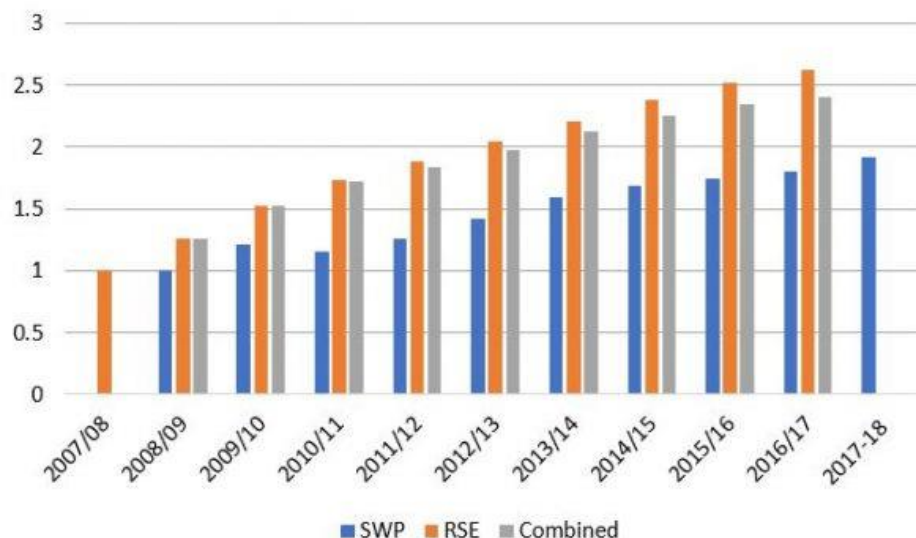
The number of visits is considerably greater than the number of workers, but worker numbers under the SWP are nevertheless much greater than they would be if return work opportunities were maximised. We can compare the actual number of visits per worker with the average as it would be if (a) return visits were banned and (b) maximum reliance was placed on return workers. In the first scenario, there would be as many workers as visits. In the second scenario, new workers would only be added as the scheme expanded. Based on the latest data, the average RSE or SWP ("combined") worker has made 2.4 visits. That is not that many for schemes that have been operating for a decade. If return opportunities were maximised, the average worker would have made as many as 5.5 visits. From this perspective, we are much closer to a scenario in which return visits are banned than one in which reliance on return workers is maximised.

Average visits per worker since 2007-08 and the average we would see if return work opportunities were maximised



It is interesting to look at the visit/worker ratio over time. Of course it is going up over time, but surprisingly slowly, by only about one month per year. It took the NZ average number of visits per worker five years to go from one to two. In the next four years, it only increased from two to 2.6.

Average visits per worker over time in Australia, New Zealand and combined



The [second post](#) in this two-part series provides further analysis of the reliance of return workers in Australia's and New Zealand's seasonal worker schemes.

Notes: The NZ RSE started in 2007-08, and data goes to 2016-17. The Australian SWP started in 2008-09 and data goes to April 2017-18. Combined results are shown only for years for which the schemes were operational in and for which we have data for both NZ and Australia. Data is from the Australian and New Zealand governments. Data and calculations available with the second post.

Stephen Howes is Director of the Development Policy Centre and a Professor of Economics at the Crawford School.

10. ANZ seasonal labour programs are not too reliant on return workers: part two

Stephen Howes, 8 August 2018



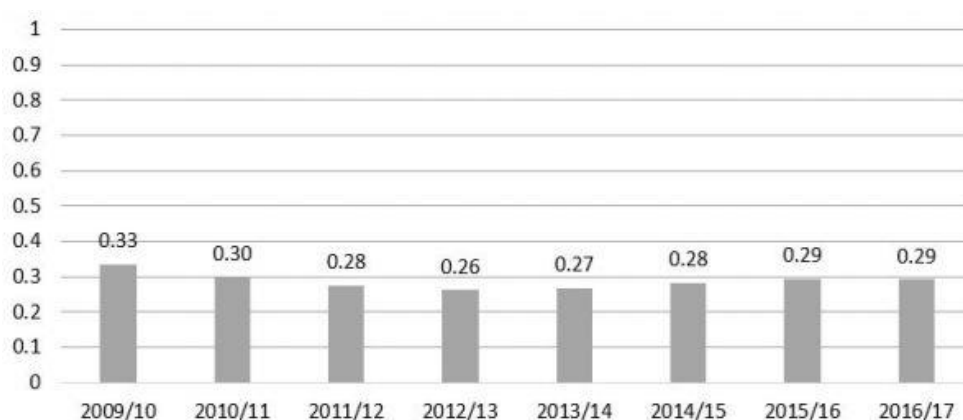
A worker in the Pacific Labour Mobility Program (DFAT/Flickr/CC BY 2.0)

In [my first post](#) on this subject, I assessed the reliance of Australian and New Zealand seasonal work schemes on return workers by examining average visits per workers. This is a simple and useful indicator, but also an unreliable one. It tends to increase as schemes age,

and fall as schemes expand. Yet neither of these factors mean that a scheme is becoming more or less reliant on return workers. To control for these confounding factors, I create an index of reliance on return workers. I set the index equal to zero if the average of visitors to workers is one, that is, if there is no reliance on return workers. And I set the index equal to one if the average of visitors to workers indicates that new workers are brought in only when the scheme expands, that is, if there is maximum reliance on return workers. I use a linear transformation of the actual average of visits to workers to create this zero-to-one index.

The results are shown in the graph below. Let's start with the combined results for both the SWP and the RSE. The index of reliance on return workers is in fact much closer to zero than to one, that is, much closer to no reliance than full reliance. It is around 0.3. It has been very stable and, in fact, has slightly fallen since the early years of the two schemes.

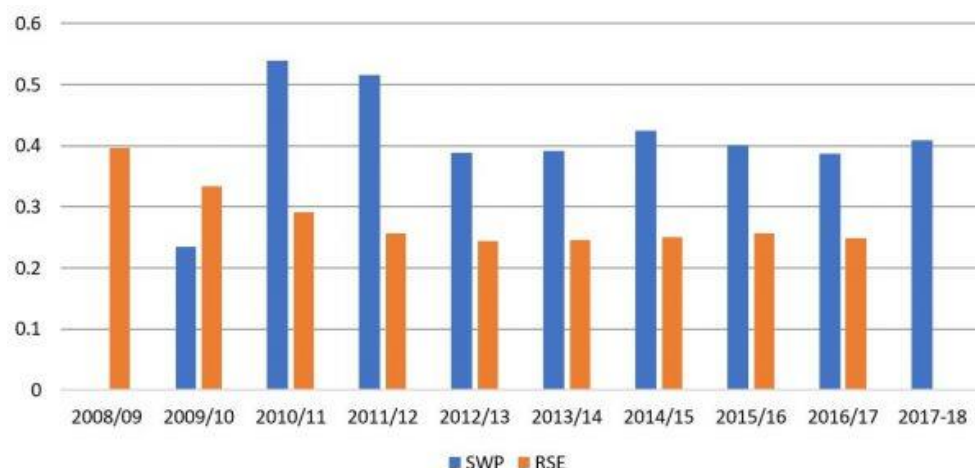
Index of reliance on return workers for the RSE and SWP combined (0=no reliance and 1=maximum reliance)



We can also compare the results for Australia and New Zealand. Surprisingly, the index is higher in Australia than New Zealand, even though the ratio of returning to

new workers is higher in the latter. This is because in NZ the maximum potential ratio of visits to workers is much higher than in Australia: 7.5 years in NZ compared to 3.2 in Australia, based on the most recent data. This, in turn, is because the RSE has been bigger for longer and is now stable, whereas the SWP started off small and is now expanding rapidly. NZ workers have a higher average visit rate than Australian workers, but a lower rate relative to what they could have achieved if they kept on returning. The ratio of new workers to new places in the Australian scheme is just under two; in New Zealand it is never below three and often above four – another indication of the greater churn in the New Zealand scheme.

An index of reliance on return workers for the RSE and SWP separately (0=no reliance and 1=maximum reliance)



What is driving these results? What we are seeing emerge is a pattern whereby Pacific workers cycle in and out of seasonal work, going more than once, but not in general going year in, year out, indefinitely. Yes, both Pacific workers and ANZ employers like the prospect of return, but employers keep weeding out bad workers, and workers' own circumstances and preferences change. Employers also change, some exiting the schemes after a while, others entering. Therefore, each year there are opportunities for new workers to join the schemes, and there is also an increasingly large pool of trained workers that employers can draw on. Of the more than 40,000 Pacific workers with seasonal work experience, at current numbers fewer than half could go in any one year, even if they all wanted to.

It should be noted that this analysis does overlook the possibility that employees will jump country. We know that in fact some workers with experience in New Zealand have decided that they can make more in Australia. They will show up in this analysis as first-time (Australian) workers, which is misleading. However, the number of such workers is still relatively low. Rochelle Bailey's [analysis](#) of 20 ni-Vanuatu workers who started going to New Zealand under the RSE a decade ago found that only one is now working in Australia. It would also be interesting to do this analysis by nationality. Currently, data constraints prevent this.

These caveats notwithstanding, what one can say is that the existing data suggests that concerns around over-reliance on return workers have been overblown. Both the SWP and the RSE are more like schemes in which return visits are banned than ones in which maximum reliance is placed on return workers. And, measured

properly, reliance on return workers is steady, not rising. What already seems to have emerged is a benign compromise in which employers get the benefits of being able to hire workers with experience, and Pacific countries the benefits of being able to share the benefits of seasonal work around.

Sending governments should refrain from putting limits on the number of times workers can go on seasonal work. There is just no need for them, and they will become simply one more complication in what is already a complex scheme.

Notes:

Total visits are annual SWP/RSE visits cumulated over time. Total SWP/RSE workers are annual new workers cumulated over time. No reliance on return workers would mean that visits equalled total workers. Maximum reliance on return workers would mean that total workers would equal the maximum number of visits in any one year up to that point of time. The NZ RSE started in 2007-08, and data goes to 2016-17. The Australian SWP started in 2008-09 and data goes to April 2017-18. Combined results are shown only for years for which we have data and the schemes were operational in both NZ and Australia.

The index of reliance on return workers shown in the final graph is defined as [average visits/workers minus one] divided by [maximum visits/workers minus one] where maximum visits/workers is visits/workers if reliance on returning workers was maximised. The index is bounded by zero and one. It is not defined in the first year of a scheme (since there is then no scope for reliance on returned workers.)

Data is from the Australian and New Zealand governments. Data and calculations available [here](#).

This is the second in a two-part series. The first part can be found [here](#).

Stephen Howes is Director of the Development Policy Centre and a Professor of Economics at the Crawford School.

11. How recruitment and selection can shape seasonal work programs: comparing Fiji and Papua New Guinea

Richard Curtain and Henry Sherrell, 2 February 2017



Apple orchard in Tasmania (Apple and Pear Australia Ltd/Flickr/ CC BY 2.0)

How workers are recruited for Australia's Seasonal Worker Programme (SWP) and New Zealand's Recognised Seasonal Employer (RSE) scheme plays an important part in determining how many workers participate from each country. Experience in Fiji

and Papua New Guinea provides a contrast in recruitment approaches used by both sending countries and seasonal work employers.

Fiji was not a participating RSE or SWP country until 2015. However in the first full financial year of participation, Fiji had 160 participating workers in the SWP and 104 workers in the RSE. Already in the first half of 2016-17, 168 workers have gone to New Zealand.

This stands in stark contrast to participation from Papua New Guinea. Despite participating in the RSE since 2010-11 and the SWP since inception in 2012-13, the number of workers participating is small and refuses to grow. In Australia, only 42 workers participated in 2015-16, while in New Zealand a total of 69 participated, down from the year before. The table below shows how difficult it has been for PNG to kick-start greater participation in the two programs.

Seasonal Workers from PNG	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Australia	--	--	26	26	32	42
New Zealand	7	12	31	58	102	69

Fiji's participation may have been even higher if it were not for some troubling experiences among the first group of participants. Worker exploitation was [reported](#) in the Australian media and several workers were forced to return home to Fiji after leaving their original employer. This incident saw a labour hire firm responsible for most placements in 2015 withdraw in 2016. The use of labour hire firms is extensive in the Australian SWP (and across the horticultural industry), with benefits and drawbacks. One potential cost is the expectation gap between the growers and workers, given that the growers are not directly hiring workers themselves. This contrasts with the approach taken in New Zealand, where the preference of employers is based on direct engagement and securing workers who match their preferences and expectations for work performance.

However, the Fiji government reacted quickly and positively in response to this crisis. A [new recruitment strategy](#) has been implemented, with a focus on community

participation and accountability. The Fiji Minister for Employment and an accompanying team of government officials travelled to twelve rural areas to set expectations, create community buy-in and provide on-the-ground support for selection for a 'work-ready pool'. Isolated rural communities with agricultural farming experience are targeted and community leaders are involved in the selection process to identify the best workers for the work-ready pool.

While the overall number of Fijian seasonal workers in the RSE and SWP remains small, this new recruitment strategy shows that the Fiji Government has responded to an identified issue. Encouraging growers in Australia to become direct employers themselves is the next challenge to achieve greater numbers of workers from Fiji in the future.

Similar to Fiji, recruitment in PNG occurs through the government-run work-ready pool. Yet instead of an active selection strategy as has evolved in Fiji, there is little outreach into rural communities or support mechanisms for interested workers. This has created an artificial barrier to worker participation, building on top of existing barriers. For example, Vanuatu gained first-mover advantage in the RSE after being asked to take part in the pilot program. This laid the foundation for return work opportunities and strong institutions to support the selection and recruitment of workers. Other countries, such as Solomon Islands and Tonga, used networks or individuals as intermediaries to foster increased participation, another factor missing to support PNG's participation. While the Melanesian diaspora in Australia and New Zealand is much smaller than the Polynesian diaspora, the success of Solomon Islands in sending workers to New Zealand points to factors other than structural or historical barriers.

To overcome poor SWP participation from Papua New Guinea, the Government should foster direct recruitment by employers. This is restricted at present. Section 1.2 of Schedule 1 of the [Inter-Agency Understanding](#) for the RSE in Papua New Guinea establishes this in specific terms: "Papua New Guinea Government policy for RSE recruitment prohibits recruitment by agents; hence, all recruitments of RSE guest workers shall be through the PNGSW Taskforce." Further, the Agreement states, "In the first instance, it would be more practical for RSEs to engage the Department to recruit workers from Papua New Guinea." In practice, this did not happen as many New Zealand employers either travelled to PNG to select the workers themselves from the work-ready pool or asked returning workers to select workers from their home communities.

Feedback from Australian approved employers under the SWP suggests that reliance on government officials to select workers according to simple criteria based on age, gender and body mass index (BMI) has not worked well. For example, at the outset of the program the PNG government introduced eligibility criteria, such as high minimum English standards and formal education levels, which in practice favoured people living in urban centres. This occurred in 2010 during the pilot period for the SWP, but it has led to the persistent unwillingness of Australian employers to participate in the PNG selection.

PNG should encourage more direct recruitment by directing greater resources to worker selection and participation outside of Port Moresby. Australian employers

should be prepared to travel to PNG to select workers from the work-ready pool themselves. This is a common practice among RSE employers and there is at least one example of an [Australian grower](#) doing this and increasing each year the number of workers they recruit. One practical method to encourage this is to create a labour attaché position based in Australia to act as a go-between for growers in Australia and government officials in Port Moresby.

The Fiji government was able to quickly respond to issues affecting worker recruitment and looks set to benefit with greater participation in the SWP and RSE. In PNG, the reluctance to recruit workers from rural areas who have been selected by their community leaders is a barrier to getting a greater response from Australian employers.

Richard Curtain is a Research Fellow and, at the time of writing, Henry Sherrell a Research Officer at the Development Policy Centre.

Seasonal Worker Programme: receiving-country issues

12. Backpackers v seasonal workers: lessons from across the Tasman

Stephen Howes, Richard Curtain and Matthew Dornan, 24 November 2017



Wine grape harvest at Granton Vineyard, Tasmania (Stefano Lubiana/Flickr/CC BY 2.0)

In New Zealand, for every 1,000 backpackers picking fruit and vegetables there are about 2,600 seasonal workers, mainly from the Pacific. In Australia, the mix

is completely different. For every 1,000 backpackers there are only about 130 Pacific seasonal workers.

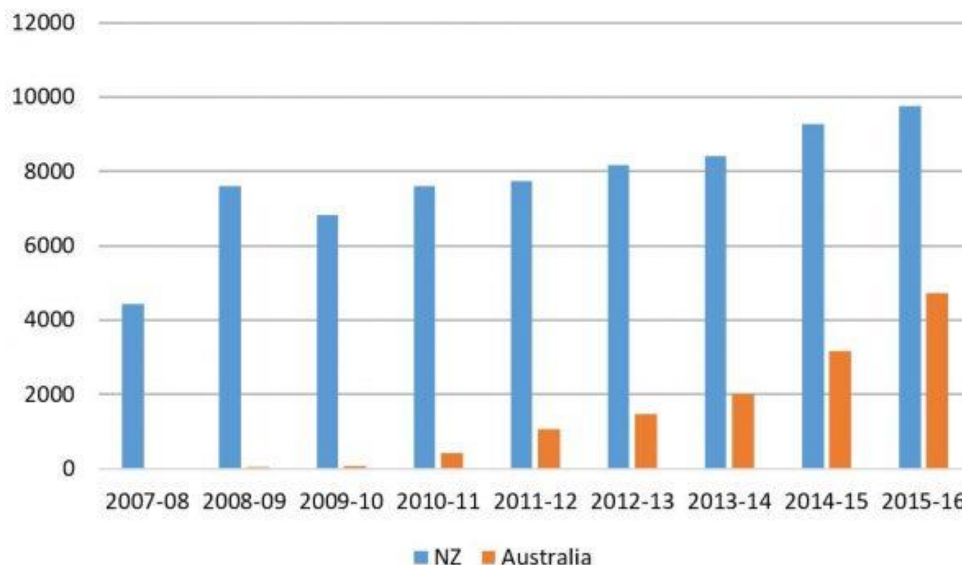
The Australian outcome is what the literature predicts. The “crowding out” hypothesis asserts that unregulated migrant labour will crowd out regulated options. Employers here prefer the more flexible, much less regulated backpacker (formally Working Holiday Maker) option. It is less hassle, and as recent media and academic research has shown, easier to get away with underpayment with backpackers, where no government approval or reporting is required, than with seasonal workers, where stringent approval and reporting requirements are imposed.

How then to explain New Zealand’s contrary performance? That’s what we set out to do in our new Devpolicy Discussion Paper [“Backpackers v seasonal workers: learning from the contrasting temporary migration outcomes in Australian and New Zealand horticulture.”](#)

We came up with five factors which explain why, as the graph below shows, New Zealand’s seasonal worker scheme (called the RSE or Recognised Seasonal

Employer, and introduced in 2007) has been much more popular than Australia's SWP (Seasonal Worker Programme, introduced in 2009).

Visas issued under New Zealand's and Australia's seasonal worker schemes



Note: the New Zealand (but not the Australian) scheme is capped, so the numbers in this graph are an underestimate of NZ employer demand for seasonal workers.

First, New Zealand's horticultural sector has a much stronger [export orientation](#). As a result, the sector is more focused on quality and compliance. Stories of worker exploitation risk loss of export markets. In 2012, there were 1,516 New Zealand agricultural producers accredited to the European Global Gap code of practice, but only 153 in Australia. The code covers, among other things, the treatment of workers, and is independently audited. In contrast, Australian farmers are producing mainly for the domestic market, with little external scrutiny of workplace conditions and employee rights. They are focused primarily on costs rather than reputation.

Second, the costs of collective action are much lower in New Zealand. New Zealand's horticultural sector is much better organised than in Australia, and has a single peak body. It played a leading role in developing the RSE, and employs someone to promote it. In Australia, due perhaps to greater geographical dispersion and product fragmentation, there are multiple state and product organisations, and the SWP has been left mainly to the government to develop, run and promote.

Third, the costs of regulatory compliance are also lower in New Zealand. Australia's minimum wage is significantly higher than New Zealand's, which leads to a stronger incentive to avoid it. Australia also has a weaker enforcement regime, making it less likely that you'll be caught if you cheat. This is again due to the tyranny of size, but also because Australia has put less effort into developing a licensing regime for labour hire companies.

Fourth, while Australia's and New Zealand's backpacker and seasonal worker schemes are very similar, there are subtle differences in their design, history and implementation, which have made a difference. New Zealand introduced the RSE in 2007. At the time, Australia wasn't prepared to follow suit. Instead, in response to

farmers' complaints about labour shortages, it introduced the second-year backpacker visa which funnelled backpackers into agriculture in their first year with the offer of a second-year visa. This proved to be a very strong incentive. It led to a large increase in the number of backpackers working on farms. This in turn ended the horticultural labour shortage, and reduced the incentive to use seasonal workers when they became available from 2009. New Zealand only introduced a backpacker visa extension in 2009, after the RSE had been bedded down, and it gave a much weaker incentive to work on a farm: the extension was only for three months (not 12 as in Australia) and it only allowed further farm work during that period (the Australian extension involves no work restrictions).

Finally, there is the simple fact that Australia simply attracts far more backpackers than New Zealand, making the potential pool of backpacker farm labour that much larger. In 2014-15, Australia had 230,000 backpackers, and New Zealand only 63,000.

All of these factors explain why New Zealand's RSE has left Australia's SWP behind. But, interestingly, the analysis also helps explain the recent rapid growth in the SWP. First, a domestic backlash against exploitation of backpackers here in Australia is starting to lead to greater efforts to regulate the sector. Supermarkets are at last asking growers to demonstrate good treatment of workers, and state governments are starting to license labour-hire companies. A stronger enforcement regime and a greater emphasis on the registration and monitoring of labour contractors will both favour seasonal workers. In addition, in the last few years, total backpacker numbers have fallen.

In absolute numbers, backpackers employed in horticulture will continue to leave seasonal workers far behind in Australia. But the New Zealand experience shows that such "crowding out" is not inevitable. There are benefits as well as costs to using a more regulated, less easily exploited, labour source.

This is a summary of our Devpolicy Discussion Paper, available [here](#). See the Discussion Paper for more details, including on the backpacker-seasonal worker comparisons, which are estimates.

Stephen Howes is Director, Richard Curtain is a Research Fellow, and Matthew Dornan is Deputy Director of the Development Policy Centre.

13. Making the SWP more employer-friendly: a work in progress

Richard Curtain and Stephen Howes, 13 July 2018



Workers in the Pacific Labour Mobility Program (DFAT/Flickr/CC BY 2.0)

Last September the Australian Government announced [nine measures](#) to improve participation in the Seasonal Worker Programme (SWP). As some of them took effect on 1 July 2018, it is timely to report on progress in their implementation.

The [nine measures](#) are:

introducing a multi-year visa; streamlining the application process; moving to online lodgement of information; removing the obligation of employers to train workers; increasing promotion to the horticultural sector; increasing engagement with other groups that could use the SWP but don't; and three pilots – a 24/7 seasonal worker hotline, helping seasonal workers access their superannuation, and lowering upfront costs for employers.

Three government agencies are involved in delivering the measures: the Department of Home Affairs; Department of Jobs and Small Business (DJSB); and the Department of Foreign Affairs and Trade.

The Department of Home Affairs introduced a multi-year, multiple-entry visa for returning seasonal workers through the [International Relations \(Subclass 403\) visa](#) (Seasonal Worker Programme stream) on July 1. Seasonal workers will be granted a visa for a period based on the number of seasons they are required for employment, as specified in their employment contract and with approval from DJSB, up to a maximum of three years. Employers will have greater certainty about the dates that return workers can start work, and less paperwork. One visa covering many trips will also represent a significant saving for seasonal workers (the multi-year visa is no more expensive than the single-year one). Rural return workers will need to spend less time and money on accommodation in the capital waiting for their visa approval to come through.

It remains to be seen whether employers will be interested in entering into multi-year contracts. Their preference for returning workers will push them in this direction, at least after a successful first season, but the ongoing requirement of labour-market testing may be a barrier. This reform will, if successful, increase the ratio of return to new workers, which will please employers, but may worry sending countries.

Another visa reform is that the period of stay in Australia will now commence upon entry rather than on the date of the visa grant, giving employers and workers more

flexibility, and more scope for advance planning. Flights will be able to be booked further ahead, reducing ticket prices.

The new visa for the SWP stream also includes a [condition](#) that allows the visa holder, under limited circumstances, to change their sponsor. This will help address situations of worker exploitation, or where employee/employer relationships have become untenable.

As well as access to multi-year visas, employers now have fewer forms and simpler processes to complete when they recruit seasonal workers. DJSB reports that these changes start from 1 July 2018. No information has been provided on the proposed change to 'investigate ways to help employers lodge information online'.

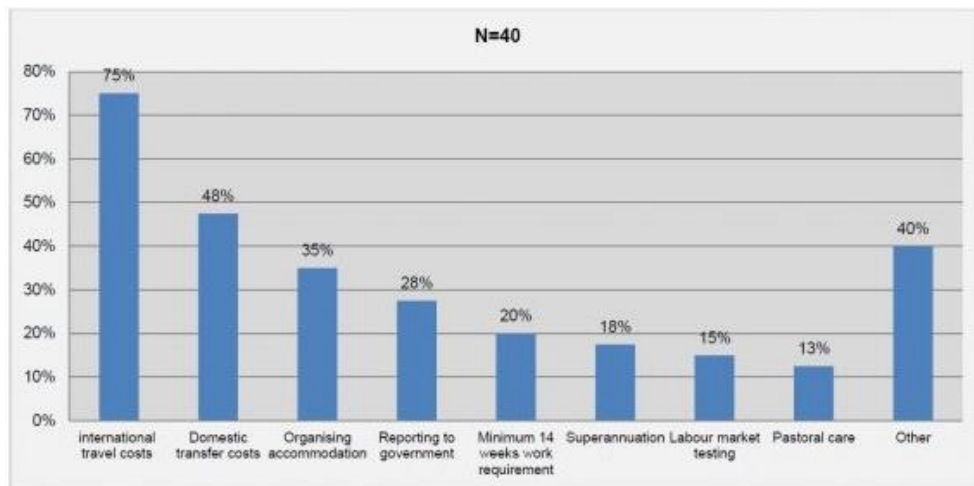
The final streamlining report has also been implemented: the former SWP requirement for employers to organise add-on skills training was removed by DJSB on 1 July 2018. It provided first-year seasonal workers with training in basic English literacy and numeracy, basic information technology skills, and first aid. The program had a low-take up rate because training delivery was difficult to organise for rural locations. Also, undertaking training was often the last thing workers wanted to do at the end of a long working day or on their one day off each week. The training was also criticised by employers as providing skills that were not relevant to the work seasonal workers were doing. A new, more flexible training program is being developed for implementation in early 2019 by DFAT's new [Pacific Labour Facility](#) (PLF).

Turning to increased industry engagement, DJSB told us that it has been engaging with peak industry bodies and attending industry events and conferences to promote the SWP. Media reports show that workshops were conducted by the industry association Growcom in Queensland in March in Mareeba, Stanthorpe and Bowen with officials from Fiji, Solomon Islands, PNG and Timor-Leste also taking part.

Finally, there are the three pilots. A 24/7 information line for seasonal workers will also be introduced as part of DFAT's PLF. The other two – lowering upfront costs for employers and helping workers access their super – are still under preparation. These are probably the two most complex, and the ones that will take the longest to implement.

It is interesting to compare these reforms to the obstacles listed by employers when [surveyed](#) about the SWP in 2014.

Key changes that would make the SWP more attractive to growers (according to Australian employers who hire seasonal workers)



The good news is that five of the top six concerns of SWP employers are now all being addressed either by these reforms or ones implemented earlier. (The requirement that employers cover domestic transfer costs above \$100 was [removed](#) in the 2015 White Paper on Developing Northern Australia, as was the minimum 14-week requirement.) The only employer demand among the top six not being acted on is the requirement that employers organise accommodation – and that’s an obligation employers will be unable to wriggle out of.

More soberingly though, there is still a long way to go on employers’ main demand, which is to reduce international travel costs. Currently, employers have to cover all international travel costs upfront, and then claim all such costs above \$500 back through the payroll. How upfront costs will actually be lowered is far from clear. The outstanding superannuation reforms will also be challenging.

In summary, while some of the reforms are far from complete, and will need hard work and close monitoring, it does seem that the government is making a serious attempt to respond to the concerns of employers. The result should be more employers hiring more SWP workers.

Stephen Howes is Director and Richard Curtain is a Research Fellow at the Development Policy Centre.

14. [Is a new visa for agricultural workers needed?](#)

Matthew Dornan, Stephen Howes and Richard Curtain, 13 September 2018



Workers in the Pacific Labour Mobility Program (DFAT/Flickr/CC BY 2.0)

We've previously [written](#) about calls by the National Farmers' Federation (NFF) for the introduction of an agricultural visa to meet labour shortages in Australian agriculture.

In a 2017 [submission](#), the NFF called for a visa with two

streams: a short-term stream (six to twelve months) to cater for seasonal or low skilled work, and a longer-term stream to cater for skilled workers who may move between employers, industries and regions.

The proposal has [gained traction](#) more recently. Agriculture Minister David Littleproud has said the Nationals will [continue to push](#) the Coalition for the adoption of such a scheme, describing it as "non-negotiable". NFF President Fiona Simson recently mentioned the proposal in a [speech](#) to the National Press Club.

However, calls for a new visa category have either [dismissed](#) or ignored existing schemes that bring Pacific islanders and Timorese to Australia to work in regional areas.

The newly-created Pacific Labour Scheme, which aims to bring semi-skilled workers to regional areas where there are employment shortages for a period of up to three years, does not even rate a mention by the NFF, despite clearly meeting the demands of the NFF for a longer-term agricultural visa.

The Seasonal Worker Programme (SWP) is dismissed by the NFF on the grounds that it is "primarily a foreign aid program", and due to its "lack of focus on the industry's requirements" (both strange accusations, given the size of the SWP is driven by employer demand, and given the scheme does not involve foreign aid).

Presumably, the fact that the SWP [currently](#) brings about 8,500 workers, and that the new Pacific Labour Scheme is currently capped at 2,000 workers, is part of the problem. The NFF [estimates](#) that there is a labour shortage of approximately 100,000 workers.

Anecdotally, we're aware of policymakers and industry stakeholders who do not believe the Pacific can provide an adequate supply of workers. In advocating for an agricultural visa, they have their sights on the far more populous Asian countries (other than Timor-Leste).

Is this a fair assessment? Could the Pacific and Timor-Leste, through the SWP and an expanded Pacific Labour Scheme, meet the labour shortage faced by Australian agricultural producers?

We've calculated the potential pool of SWP workers from the Pacific and Timor-Leste in the table below. We've ignored the Pacific Labour Scheme for now, given it is only just commencing. However, if its trajectory is anything like the SWP, we can expect it to become an important source of labour for regional areas. This is provided the government scales it up from its current pilot of only 2,000 workers (something that the government could do easily, and which occurred after several years in the case of the SWP).

In our analysis for the SWP, we exclude the smallest Pacific island countries, and consider only those eligible countries with a population of 100,000 or above. The projected populations are for the year 2020. We also exclude the "US Compact" states as they already have free access to the US labour market.

The maximum penetration of overseas seasonal work into the 20 to 45 age group has so far been in Tonga, where 13% of the population in that age group go every year to either Australia or New Zealand to pick fruit and vegetables. All Pacific island countries have high levels of unemployment and underemployment. Not everyone will be able to or want to travel. Some will be constrained by health or family considerations. A conservative assumption of the potential seasonal work pool in the Pacific is given by what Tonga has already achieved – 13%. Most observers note that there are many more Tongans who would still like to work offshore. Indeed, [World Bank research](#) indicates that there are still entire villages in Tonga not participating in seasonal work.

A more realistic pool would therefore be, say, 20% of the population aged 20 to 45. Finally, nearly all participants in seasonal work are men. Under an ambitious program, this could be changed, and women could start participating more. This would lift participation to, say, 30%.

From these total seasonal work pools, one needs to deduct the number of workers who would go to New Zealand. The cap in New Zealand is 10,000. We could assume conservatively it will be increased to 15,000.

Under these assumptions, the total SWP pool is conservatively 563,000, realistically 875,000, and ambitiously 1,320,000.

	Age group 20-45 2020	SWP pool		
		Conservative (13%)	Realistic (20%)	Ambitious (30%)
Fiji	341,320	44,372	68,264	102,396
Papua New Guinea	3,211,432	417,486	642,286	963,430
Solomon Islands	226,248	29,412	45,250	67,874
Vanuatu	107,381	13,960	21,476	32,214
Kiribati	44,569	5,794	8,914	13,371
Samoa	62,546	8,131	12,509	18,764
Tonga	36,834	4,788	7,367	11,050
Timor-Leste	417,850	54,321	83,570	125,355
TOTAL (minus 15,000 for NZ RSE)	4,433,180	563,263	874,636	1,319,454
Total only including Tonga, Vanuatu, Samoa, Fiji and Timor Leste	950,931	110,571	178,186	274,779

This assumes that all countries can contribute to the extent possible. But some countries are more organised than others. The more successful countries, of the larger ones covered in this analysis, are Tonga, Vanuatu, Fiji, Samoa and Timor-Leste. Including only these countries, the pool reduces to 111,000 on the conservative assumption, 178,000 on the realistic assumption, and 275,000 on the ambitious assumption.

These calculations, simple as they are, demonstrate that there is no shortage of workers from the Pacific who could contribute to agricultural production and other regional activities for which there are insufficient Australian workers. Claims that the Pacific is unable to meet Australia's regional low-skilled labour demands are untrue.

What then is the problem?

The NFF has made it clear that the SWP is too bureaucratic and inflexible. In its 2017 [submission](#), it argued: "While each of these visa programs help to fill the gaps in agriculture's workforce shortages, they do this in a patchwork manner. More importantly, each has significant problems and draw backs, at least in part because they are not principally intended or designed to address the real problem: the labour needs of agriculture."

The government is aware of these problems and has [made changes](#) to the SWP. More may well be required. The industry also needs to engage with existing schemes. The NFF, for its part, would benefit from having a fulltime staff member working to both promote the SWP and PLS to its members, and negotiate the changes needed to make it better suit the needs of employers.

Taking a greater lead role in promoting existing schemes to members, while also working to ensure these meet the needs of members, should be the priority for the NFF and others concerned about labour shortages in regional areas. There is no need to advocate for yet another agricultural visa.

Matthew Dornan is Deputy Director, Stephen Howes is Director, and Richard Curtain is a Research Fellow at the Development Policy Centre.

Australia Pacific Technical College and Pacific Labour Scheme

15. What's different about APTC in its next stage?

Richard Curtain, 18 October 2017



*Australia Pacific Technical College
(Rocky Rose/DFAT/Flickr CC BY
2.0)*

The DFAT-funded Australia Pacific Technical College (APTC) has operated from five campuses in the Pacific for over a decade, producing more than 10,000 graduates of high standard. However, APTC did not deliver on some of its original objectives. One objective was

to upgrade Pacific skilled workers to an Australian standard so they could move to work in Australia. Another was for APTC to be demand-driven, supplying training that met local and overseas skills needs. A third desired outcome was to have an impact on Pacific technical and vocational education and training (TVET) providers.

The design for APTC Stage 3 from mid-2018 to mid-2022 makes major changes in these three areas. The new design emphasises increased support for more graduates to work in Australia. There is a greater focus on the need for co-investment in training by those who benefit from it. The third major change is to develop more and deeper linkages to and encourage reforms of national TVET providers and systems.

The Stage 3 design addresses APTC's original objective of enabling graduates to work in Australia by addressing the fears of Pacific employers about brain drain. Students are to choose which track they want to enter: the domestic ('home') track or the labour mobility ('away') track. The concept of dual tracks was first proposed by Michael Clemens in his 2014 paper on [Global Skill Partnerships](#). In Stage 3, employees sponsored to do an APTC course by their employers will be required to take the domestic track. This is based on the employer's expectation that they will return to their job after their APTC course. Students in the labour mobility ('away')

track will be given additional support to increase their chances of finding work in Australia.

The design document points out that APTC's reliance on scholarships in Stages 1 and 2 "has not been consistent with a demand-driven system and is not sustainable over time". The actual demand for training in Stage 3 is to be tested by the willingness of those who benefit to contribute to its cost. The beneficiaries who will be asked to make a contribution to the cost of the training range from individuals and employers, to governments and donors.

The third important feature of the design for APTC Stage 3 is its focus on increased linkages to and reform of national TVET systems. A key challenge in any reform process is to find out the best place to start so the reform has a reasonable chance of succeeding. Another challenge is to get key stakeholders to not only identify the needed reforms but to also get them involved in their implementation. The approach proposed in the Stage 3 design is to set up coalitions for reform related to TVET in each Pacific country with an open agenda, backed by support from a facilitator, and expert advice where requested.

The concept of coalitions for reform is based on a broader approach to program design outlined in the [doing development differently](#) (DDD) manifesto. Crucial to this approach is the concept of problem-driven iterative adaptation, as proposed by Andrews, Pritchett and Woolcock in a series of publications. Their most recent is [Building state capacity: evidence, analysis and action](#), a book available for download without cost. Another related concept used in the Stage 3 design is the bottom-up perspective [thinking and working politically](#) (TWP).

The essence of these approaches is a willingness to experiment and to learning from failures to identify and to make the desired changes. This requires a monitoring and evaluation process that is open to finding out early on what is working and what is not. Problem-driven iterative adaptation and learning by doing is the opposite of the design process used by risk-adverse donor agencies which have strong incentive structures to closely monitor and control outputs. A key challenge for the APTC in its Stage 3 version will be to work out how to operate in a more flexible and adaptive way to deliver more complex outcomes.

Richard Curtain is a Research Fellow at the Development Policy Centre.

16. The Pacific Labour Scheme: no families allowed?

Stephen Howes, 23 February 2018



A farming family standing in front of their tractor in Kuku/alofa, Tonga (Asia Development Bank/Flickr/CC BY-NC-ND 2.0)

The Pacific Labour Scheme (PLS) was announced in September 2017. It's a welcome initiative to allow greater access for Pacific island workers to the Australian labour market. While currently capped at 2,000 (and it's not clear if that

is per year or in total), it has huge potential. As the [PLS fact sheet](#) says, it will "enable citizens of Pacific island countries to take up low and semi-skilled work opportunities in rural and regional Australia for up to three years."

For all its potential, there are some odd aspects to the PLS. One is the hands-on role of DFAT, which will have primary responsibility for screening prospective employers for participation in the program. That's the Department of *Foreign Affairs*. Pre-approval for the Seasonal Worker Programme (or SWP, which allows Pacific islanders to come to Australia to work on farms typically for up to six months) is the responsibility of the Department of Jobs and Small Business. It is widely perceived not to have sufficiently promoted the SWP, and to have taken a very risk-averse approach. Perhaps DFAT will do a better job.

Another oddity is the initial focus on Nauru, Tuvalu and Kiribati. These are certainly three remote and relatively isolated countries. But Nauru is at full employment due to its processing centre. Tuvalu, like Nauru, is tiny and has some access to the New Zealand labour market. That leaves Kiribati, perhaps the most remote, but also a relatively small and one of the [least healthy](#) of all the Pacific island countries. At least one of the Melanesian countries such as Vanuatu or Solomon Islands should be added as pilot source countries.

An odd and worrying aspect of the scheme is the restriction that workers will not be able to bring their families with them. This isn't mentioned in the fact sheet, but was made clear when the scheme was explained at the recent Brisbane [Pacific Labour Mobility Annual Meeting](#).

This is odd because the closest counterpart to this new scheme is what used to be called the 457, now the Temporary Skill Shortage visa. That visa now provides work rights for a two- or three-year period. Under it, workers are allowed to bring their families.

The PLS ban on family entry is worrying because surely it can't be a good thing to separate families for three years. More so because presumably workers will be

allowed to return for a second or third stint. So the separation might be not for three years but six or nine years.

There is a serious discrepancy between the safeguards proposed to stop worker exploitation and enforcing family separation. There are five paragraphs in the two-page PLS fact sheet answering the question: “How will the Australian Government protect Pacific workers?” Pacific workers will have their own 24/7 hotline; they will get special briefings; their employers will be pre-approved. But what about protecting workers from the social costs of family separation?

I imagine that this restriction has come about because of the genesis of the PLS (and its predecessor, [the microstate visa](#)) in the SWP, which also doesn’t allow families. But that makes sense for a six-month program. It makes much less sense for a 36-month (or longer) program.

Perhaps allowing workers to bring their families is seen as putting too much of a burden on employers. And too much of a fiscal cost on the government. Other countries, for example Korea, run temporary low-skill programs that don’t allow dependents.

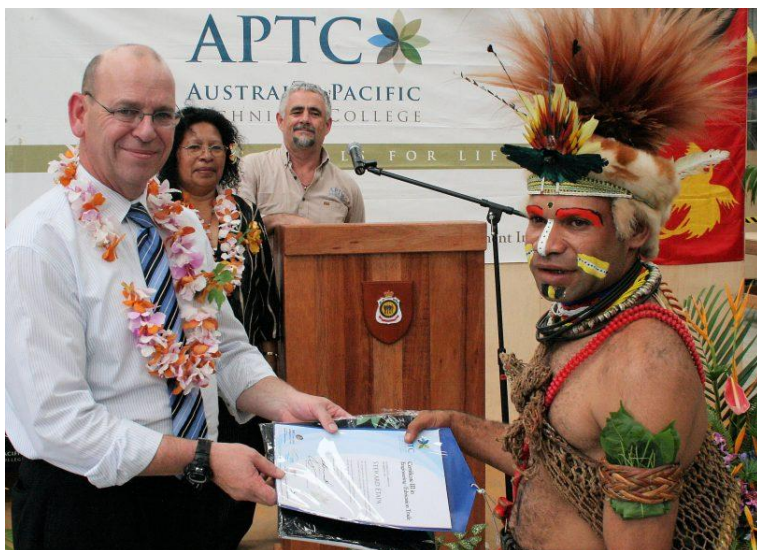
At the end of the day though, we need to have some policy consistency. It makes no sense for two-year 457 visa-holders to be able to bring their families and for three-year PLS visa-holders not to be able to. It is true that 457 visa holders have to be paid at least [\\$53,900](#), whereas many in the PLS will be on the minimum wage, which equates to an annual salary of \$36,100. There may be worries that, accompanied by their family, Pacific workers will be unable to send sufficient remittances home. But spouses would presumably come with work rights (as they do under the 457), and these sorts of very personal decisions should be left to families, not governments.

While Pacific workers should be allowed to bring their families with them, health and education costs should be largely borne by the workers (as with the 457). Some workers might choose not to bring their family. Some will not have a family. But for those who do, the opportunity to bring them to Australia, and give their children three years or more of good education, will immeasurably enhance the value of their stay. The presence of families will be a boon to the regional communities they will be living in. And the avoidance of a ban on families will allow Australia to say, hand on heart, that it welcomes not only Pacific workers, but also Pacific people.

Stephen Howes is Director of the Development Policy Centre and a Professor of Economics at the Crawford School.

17. Promoting migration while combatting brain drain: monitoring issues

Richard Curtain, 14 May 2018



A photo from the 2010 APTC graduation (DFAT/Flickr/CC BY 2.0)

Concerns from the Pacific about brain drain could undermine Australia's new commitment to promoting Pacific labour mobility. Stage 3 of APTC (the Australia Pacific Training Coalition (formerly Technical College)), and the Pacific Labour Scheme (PLS) are new initiatives to increase

access to high-income work in Australia. Even with the time-bound work visas of two to three years under the PLS, the loss of experienced workers with post-secondary qualifications may cause Pacific employers to react unfavourably.

Pacific employers could also be upset about the loss of experienced APTC graduates with trade qualifications who decide to seek work in Australia and New Zealand. In Australia's case, APTC graduates with trade qualifications in up to 16 occupations are also eligible for the medium-term stream (four years) of the Temporary Skilled Shortage (TSS) visa, which has a pathway to permanent residence. The loss of experienced skilled workers such as carpenters, chefs, diesel motor mechanics, electricians and plumbers will not be easy to replace due to the long lead time needed to train up a replacement.

It is vital the Australia's new efforts to promote international labour mobility should not be seen as causing harm. Much thought has already gone in to the redesign of the APTC to promote labour mobility without increasing brain drain. As I discussed in an earlier [blog](#), there will now be two APTC tracks: a home track including those sponsored by existing employers, and an away track, who will be given additional support to find work overseas. APTC is also committed to ensuring a net domestic skills gain.

The problem goes beyond APTC though. A system of simple indicators need to be developed and used by Pacific countries so they can monitor and report on the domestic and overseas demand for and supply of skills.

Australia and New Zealand have also made relevant commitments in the side agreement to PACER Plus called the [Arrangement on Labour Mobility](#). These commitments include agreeing to strengthen the collection and harmonisation of labour market statistics in sending countries to improve labour market planning and to respond to the export of skilled labour. Also included in the agreement is a recognition of "the importance of further enhancing technical and vocational

education and training (TVET) and other tertiary education programs that build the labour supply capacity to respond to domestic and regional labour market demand”.

A small number of indicators of skills in demand, based on simple and accessible measures, can provide a dynamic skills profile of each Pacific country. These measures can be derived for the most part from existing data sources such as the national census and administrative records. Also needed will be tracer surveys by education and training providers of graduates with post-school qualifications, as APTC does now.

The first indicator identifies a Pacific country’s national skills pool or skills profile. A good measure for this indicator is the proportion of workers with a post-secondary qualification in each skills-based occupation. The data for this measure can be taken from the national census, as nearly all Pacific countries code their census data on occupations using ILO’s International Standard Classification of Occupations (ISCO-08). The degree of detail collected in the census on post-school qualifications varies from country to country, so a more standard approach across the Pacific as to how they are identified is needed.

The second indicator shows the balance between domestic skills supply and employment demand for specific qualifications. The most relevant measure is the employment rate and wage level of graduates reported for each post-secondary qualification. Every education and training provider should be required and funded to conduct and report publicly on a tracer survey of their graduates. This information can be used by prospective students to make an informed decision on whether to take the course or not. Education and training providers should also use the information to adjust their own supply of graduates in response to the evidence of demand for a specific qualification.

The third, and most important, indicator refers to national skill shortages. One measure is information on the occupations of foreign workers granted a work or employment permit to work in the country. This information needs to be coded from work permit applications, using ISCO. Another data source that may be more accurate is information from the census on the occupations and qualifications of foreign citizens. A third measure of national skill shortages is the occupations listed in job advertisements in the print and radio media, and coded using ISCO. These measures need to be compared with each other to identify and further verify specific skills shortages.

A fourth indicator is the demand in Australia and New Zealand for migrants with post-school qualifications. Detailed data are available at regular intervals from Australian and New Zealand immigration authorities on the occupations of those granted temporary and permanent skilled work visas by nationality. In the case of migrants gaining access to New Zealand under the Pacific Category visa and Samoan Quota, a special request will need to be made to New Zealand authorities to collect information on the visa applicant’s occupation and to report on this, using ISCO occupation categories.

Provision of greater opportunities for international labour mobility has the potential to deliver major benefits for all in the Pacific, both sending and receiving countries.

However, this will not be an automatic outcome, especially for small Pacific countries such as Tonga and Samoa, which already have among the highest skilled emigration rates in the world. Australia and New Zealand will need to work together with interested Pacific sending countries to coordinate and manage the supply of skills to respond to identified demand, both domestic and abroad.

Richard Curtain is a Research Fellow at the Development Policy Centre.



DEVELOPMENT POLICY CENTRE

The Development Policy Centre (Devpolicy) is a think tank for aid and development serving Australia, the region, and the global development community. We undertake independent research and promote practical initiatives to improve the effectiveness of Australian aid, to support the development of Papua New Guinea and the Pacific island region, and to contribute to better global development policy. Our discussion papers, policy briefs and reports make our research available for all. Our events are fora for the dissemination of findings and the exchange of information and ideas. The Devpolicy Blog is our platform for analysis, discussion and debate. We are based at Crawford School of Public Policy in the College of Asia and the Pacific at The Australian National University.